

**SMITH COUNTY, KANSAS**

Smith Center, Kansas

Primary Government Financial Statements  
With Independent Auditors' Report

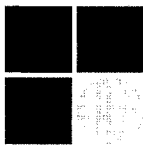
For the Year Ended December 31, 2008

**Smith County, Kansas**  
Primary Government Financial Statements  
With Independent Auditors' Report  
For the Year Ended December 31, 2008

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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners

**Smith County, Kansas**

218 S. Grant

Smith Center, Kansas 66967

We have audited the accompanying primary government financial statements of **Smith County, Kansas**, as of and for the year ended December 31, 2008, which collectively comprise the financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of **Smith County, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, **Smith County, Kansas**, prepares its financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph and the second preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Smith County, Kansas**, as of December 31, 2008, or changes in financial position for the year then ended. Further **Smith County, Kansas** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the primary government of **Smith County, Kansas**, as of December 31, 2008, and their respective cash receipts and disbursements, and budgetary results for the year then ended in conformity with the basis of accounting described in Note 1.

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

August 24, 2009

**Smith County, Kansas**  
**Summary of Cash Receipts, Expenditures and Unencumbered Cash**  
**For the Year Ended December 31, 2008**

| Fund                                 | Beginning<br>Unencumbered<br>Cash Balance | Prior Year<br>Cancelled<br>Encumbrances | Cash<br>Receipts | Expenditures     | Ending<br>Unencumbered<br>Cash Balance | Add Outstanding<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|--------------------------------------|---|---|------------------|------------------|--|--|------------------------|
| <b>Governmental Fund Categories</b>  |   |   |                  |                  |  |  |                        |
| <b>General Fund</b>                  | \$ 297,691                                | -                                       | 1,455,875        | 1,353,206        | 400,360                                | 94,647   | 495,007                |
| <b>Special Revenue Funds</b>         |   |   |                  |                  |  |  |                        |
| Road and Bridge Fund                 | 351,477                                   | -                                       | 2,095,576        | 2,284,808        | 162,245                                | 156,552  | 318,797                |
| Bridge Building Fund                 | -   | -                                       | 132,473          | 7,473            | 125,000                                | -  | 125,000                |
| Special Machinery Fund               | 231,055                                   | -                                       | 225,000          | -                | 456,055                                | -  | 456,055                |
| Noxious Weed Fund                    | 168,183                                   | -                                       | 332,229          | 297,033          | 203,379                                | 4,929  | 208,308                |
| Health Fund                          | 106,953                                   | -                                       | 300,322          | 301,742          | 105,533                                | 20,870   | 126,403                |
| Appraiser's Cost Fund                | (8,005)                                   | -                                       | 124,743          | 99,302           | 17,436                                 | 50,314   | 67,750                 |
| Employee Benefit Fund                | 190,017                                   | -                                       | 786,058          | 900,984          | 75,091                                 | 6,414  | 81,505                 |
| Hospital Maintenance Fund            | 8,348                                     | -                                       | 216,935          | 225,000          | 283                                    | -  | 283                    |
| Ambulance Service Fund               | 5,879                                     | -                                       | 374,499          | 330,307          | 50,071                                 | 30,998   | 81,069                 |
| Mental Health Fund                   | -   | -                                       | 23,539           | 23,539           | -                                      | -  | -                      |
| Mental Retardation Fund              | -   | -                                       | 28,308           | 28,308           | -                                      | -  | -                      |
| Special Alcohol Fund                 | 19,306                                    | -                                       | 9,392            | 15,000           | 13,698                                 | -  | 13,698                 |
| 911 Telephone Fund                   | 4,056                                     | -                                       | 22,465           | 27,893           | (1,372)                                | -  | (1,372)                |
| E-911 Telephone Fund                 | (2,625)                                   | -                                       | 55,687           | 24,037           | 29,025                                 | -  | 29,025                 |
| Register of Deeds Technology Fund    | 12,344                                    | -                                       | 5,880            | 3,731            | 14,493                                 | -  | 14,493                 |
| EMS Grant Memorial Fund              | 9,091                                     | -                                       | 4,257            | 5,950            | 7,398                                  | -  | 7,398                  |
| Guest Tax Fund                       | 10,952                                    | -                                       | 9,547            | 7,000            | 13,499                                 | -  | 13,499                 |
| <b>Debt Service Fund</b>             |   |   |                  |                  |  |  |                        |
| Bond and Interest Fund               | 2,012                                     | -                                       | 32,079           | 31,953           | 2,138                                  | -  | 2,138                  |
| <b>Proprietary Fund Category</b>     |   |   |                  |                  |  |  |                        |
| <b>Enterprise Fund</b>               |   |   |                  |                  |  |  |                        |
| Solid Waste Fund                     | 422,675                                   | -                                       | 274,421          | 439,971          | 257,125                                | 47,044   | 304,169                |
| <b>Fiduciary Fund Category</b>       |   |   |                  |                  |  |  |                        |
| <b>Private Purpose Trust Funds</b>   |   |   |                  |                  |  |  |                        |
| Prosecuting Attorney's Training Fund | 1,292                                     | -                                       | 214              | 122              | 1,384                                  | -  | 1,384                  |
| Special Motor Vehicle Fund           | 9,775                                     | -                                       | 396,660          | 396,333          | 10,102                                 | -  | 10,102                 |
| <b>Total - Primary Government</b>    | <b>\$ 1,840,476</b>                       | <b>-</b>                                | <b>6,906,159</b> | <b>6,803,692</b> | <b>1,942,943</b>                       | <b>411,768</b>   | <b>2,354,711</b>       |
| <b>Composition of Cash:</b>          |   |   |                  |                  |  |  |                        |
|                                      |   |   |                  |                  |  |  | \$ 3,900,000           |
| Certificates of Deposit              |   |   |                  |                  |  |  | 2,668,351              |
| Checking Accounts                    |   |   |                  |                  |  |  | 6,568,351              |
| Cash on Deposit                      |   |   |                  |                  |  |  | 157,500                |
| Temporary Notes                      |   |   |                  |                  |  |  | 259,576                |
| Cash on Hand                         |   |   |                  |                  |  |  | 6,985,427              |
| Total Cash                           |   |   |                  |                  |  |  | (4,630,716)            |
| Agency Funds Per Statement 4         |   |   |                  |                  |  |  |                        |
| <b>Total Primary Government</b>      |   |   |                  |                  |  |  | <b>2,354,711</b>       |
| <b>(Excluding Agency Funds)</b>      |   |   |                  |                  |  |  | <b>\$ 2,354,711</b>    |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Summary of Expenditures - Actual and Budget**  
**For the Year Ended December 31, 2008**

| Fund                                | Certified<br>Budget | Adjustment for<br>Qualifying<br>Budget Credits | Total<br>Budget for<br>Comparison | Expenditures<br>Chargeable to<br>Current Year | Variance<br>Favorable<br>(Unfavorable) |
|-------------------------------------|---------------------|--|-----------------------------------|---|--|
| <b>Governmental Fund Categories</b> |                     |  |                                   |   |  |
| General Fund                        | \$ 1,328,241        | 78,053   | 1,406,294                         | 1,353,206                                     | 53,088                                 |
| Special Revenue Funds               |                     |  |                                   |   |  |
| Road and Bridge Fund                | 1,822,958           | 465,074  | 2,288,032                         | 2,284,808                                     | 3,224                                  |
| Noxious Weed Fund                   | 314,350             | -  | 314,350                           | 297,033                                       | 17,317                                 |
| Health Fund                         | 267,700             | 64,546   | 332,246                           | 301,742                                       | 30,504                                 |
| Appraiser's Cost Fund               | 114,700             | -  | 114,700                           | 99,302  | 15,398                                 |
| Employee Benefit Fund               | 980,042             | -  | 980,042                           | 900,984                                       | 79,058                                 |
| Hospital Maintenance Fund           | 225,000             | -  | 225,000                           | 225,000                                       | -                                      |
| Ambulance Service Fund              | 342,200             | -  | 342,200                           | 330,307                                       | 11,893                                 |
| Mental Health Fund                  | 23,500              | -  | 23,500                            | 23,539  | (39)                                   |
| Mental Retardation Fund             | 28,300              | -  | 28,300                            | 28,308  | (8)                                    |
| Special Alcohol Fund                | 28,118              | -  | 28,118                            | 15,000  | 13,118                                 |
| Debt Service Fund                   |                     |  |                                   |   |  |
| Bond and Interest Fund              | 33,953              | -  | 33,953                            | 31,953  | 2,000                                  |
| Proprietary Fund Category           |                     |  |                                   |   |  |
| Enterprise Fund                     | 448,979             | -  | 448,979                           | 439,971                                       | 9,008                                  |
| Solid Waste Fund                    |                     |  |                                   |   |  |

The notes to the financial statements are an integral part of this statement.

## Smith County, Kansas

## General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   | Prior<br>Year<br>Actual | Current Year |           | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------------|--------------|-----------|--|
|   |                         | Actual       | Budget    |  |
| <b>Cash Receipts</b>  |                         |              |           |  |
| Taxes   | \$ 1,246,747            | 1,168,622    | 1,168,173 | 449                                    |
| Federal Aid   | 54,304                  | 33,408       | -         | 33,408 (a)                             |
| Licenses and Fees   | 53,513                  | 80,885       | 34,900    | 45,985                                 |
| Use of Money and Property                                     | 113,386                 | 93,084       | 25,000    | 68,084                                 |
| Transfers In  | 11,801                  | 17,583       | -         | 17,583                                 |
| Reimbursements  | 38,854                  | 45,145       | 500       | 44,645 (a)                             |
| Miscellaneous   | 18,094                  | 17,148       | 9,600     | 7,548                                  |
| <b>Total Cash Receipts</b>                                    | 1,536,699               | 1,455,875    | 1,238,173 | 217,702                                |
| <b>Expenditures</b>   |                         |              |           |  |
| County Commissioners  | 52,613                  | 52,181       | 58,800    | 6,619                                  |
| County Clerk  | 59,076                  | 64,346       | 65,225    | 879                                    |
| County Treasurer  | 91,299                  | 95,638       | 100,100   | 4,462                                  |
| County Attorney   | 78,394                  | 89,149       | 77,120    | (12,029)                               |
| Register of Deeds   | 41,999                  | 45,279       | 44,190    | (1,089)                                |
| Sheriff   | 321,126                 | 237,522      | 263,640   | 26,118                                 |
| Dispatch  | 127,674                 | 150,157      | 110,830   | (39,327)                               |
| Court System  | 55,771                  | 70,121       | 52,750    | (17,371)                               |
| Courthouse General  | 320,749                 | 318,113      | 341,133   | 23,020                                 |
| Area Agency on Aging  | 4,000                   | 4,000        | 4,000     | -                                      |
| Juvenile Detention  | 3,035                   | 8,410        | 2,000     | (6,410)                                |
| CASA  | 3,500                   | 3,500        | 3,500     | -                                      |
| Airport Maintenance   | 1,678                   | 1,590        | 1,500     | (90)                                   |
| Emergency Preparedness  | 17,080                  | 37,912       | 27,040    | (10,872)                               |
| Soil Conservation   | 15,000                  | 15,000       | 15,000    | -                                      |
| Free Fair   | 13,922                  | 13,922       | 13,922    | -                                      |
| Extension Council   | 95,000                  | 95,000       | 95,000    | -                                      |
| Historical Society  | 10,400                  | 5,200        | 5,200     | -                                      |
| Zoning Commission   | 170                     | -            | -         | -                                      |
| Election  | 28,201                  | 46,166       | 47,291    | 1,125                                  |
| (a) Budget Credit   | -                       | -            | 78,053    | 78,053                                 |
| <b>Total Expenditures</b>                                     | 1,340,687               | 1,353,206    | 1,406,294 | 53,088                                 |
| <b>Receipts Over Expenditures</b>                             | 196,012                 | 102,669      |           |  |
| <b>Unencumbered Cash, January 1</b>                           | 101,679                 | 297,691      |           |  |
| <b>Unencumbered Cash, December 31</b>                         | \$ 297,691              | 400,360      |           |  |
| <b>(a) Budget Credit</b>                                      |                         |              |           |  |
| Excess Federal Aid and Reimbursements<br>Over Amount Budgeted |                         | \$ 78,053    |           |  |

The notes to the financial statements are an integral part of this statement.

## Smith County, Kansas

## General Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2008

(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|                             | Prior<br>Year<br>Actual | Current Year   |                | Variance<br>Favorable<br>(Unfavorable) |
|-----------------------------|-------------------------|----------------|----------------|--|
|                             |                         | Actual         | Budget         |  |
| <b>County Commissioners</b> |                         |                |                |  |
| Personal Services           | \$ 45,217               | 44,976         | 46,000         | 1,024                                  |
| Contractual Services        | 4,491                   | 4,674          | 10,800         | 6,126                                  |
| Commodities                 | 2,704                   | 2,531          | 1,000          | (1,531)                                |
| Capital Outlay              | 201                     | -              | 1,000          | 1,000                                  |
| <b>Department Total</b>     | <b>52,613</b>           | <b>52,181</b>  | <b>58,800</b>  | <b>6,619</b>                           |
| <b>County Clerk</b>         |                         |                |                |  |
| Personal Services           | 50,574                  | 52,381         | 54,075         | 1,694                                  |
| Contractual Services        | 5,348                   | 5,821          | 7,950          | 2,129                                  |
| Commodities                 | 2,974                   | 4,668          | 2,200          | (2,468)                                |
| Capital Outlay              | 180                     | 1,476          | 1,000          | (476)                                  |
| <b>Department Total</b>     | <b>59,076</b>           | <b>64,346</b>  | <b>65,225</b>  | <b>879</b>                             |
| <b>County Treasurer</b>     |                         |                |                |  |
| Personal Services           | 88,204                  | 93,862         | 94,000         | 138                                    |
| Contractual Services        | 2,619                   | 1,031          | 4,000          | 2,969                                  |
| Commodities                 | 113                     | 13             | 100            | 87                                     |
| Capital Outlay              | 363                     | 732            | 2,000          | 1,268                                  |
| <b>Department Total</b>     | <b>91,299</b>           | <b>95,638</b>  | <b>100,100</b> | <b>4,462</b>                           |
| <b>County Attorney</b>      |                         |                |                |  |
| Personal Services           | 66,649                  | 71,600         | 65,520         | (6,080)                                |
| Contractual Services        | 3,525                   | 8,718          | 4,700          | (4,018)                                |
| Commodities                 | 8,220                   | 7,186          | 6,900          | (286)                                  |
| Capital Outlay              | -                       | 1,645          | -              | (1,645)                                |
| <b>Department Total</b>     | <b>78,394</b>           | <b>89,149</b>  | <b>77,120</b>  | <b>(12,029)</b>                        |
| <b>Register of Deeds</b>    |                         |                |                |  |
| Personal Services           | 37,020                  | 40,690         | 39,000         | (1,690)                                |
| Contractual Services        | 4,582                   | 4,166          | 4,690          | 524                                    |
| Commodities                 | 397                     | 423            | 500            | 77                                     |
| <b>Department Total</b>     | <b>41,999</b>           | <b>45,279</b>  | <b>44,190</b>  | <b>(1,089)</b>                         |
| <b>Total Expenditures</b>   |                         |                |                |  |
| <b>Carried Forward</b>      | <b>\$ 323,381</b>       | <b>346,593</b> | <b>345,435</b> | <b>(1,158)</b>                         |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**General Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|                               | Prior<br>Year<br>Actual | Current Year     |                  | Variance<br>Favorable<br>(Unfavorable) |
|-------------------------------|-------------------------|------------------|------------------|--|
|                               |                         | Actual           | Budget           |  |
| <b>Total Expenditures</b>     |                         |                  |                  |  |
| <b>Brought Forward</b>        | \$ 323,381              | <b>346,593</b>   | <b>345,435</b>   | <b>(1,158)</b>                         |
| <b>Sheriff</b>                |                         |                  |                  |  |
| Personal Services             | 164,148                 | <b>163,618</b>   | 160,200          | (3,418)                                |
| Contractual Services          | 45,967                  | <b>27,574</b>    | 40,190           | 12,616                                 |
| Commodities                   | 35,593                  | <b>35,724</b>    | 42,150           | 6,426                                  |
| Capital Outlay                | 75,418                  | <b>10,606</b>    | 21,100           | 10,494                                 |
| <b>Department Total</b>       | <b>321,126</b>          | <b>237,522</b>   | <b>263,640</b>   | <b>26,118</b>                          |
| <b>Dispatch</b>               |                         |                  |                  |  |
| Personal Services             | 100,903                 | <b>116,984</b>   | 96,800           | (20,184)                               |
| Contractual Services          | 4,631                   | <b>18,515</b>    | 7,930            | (10,585)                               |
| Commodities                   | 5,247                   | <b>12,647</b>    | 2,600            | (10,047)                               |
| Capital Outlay                | 16,893                  | <b>2,011</b>     | 3,500            | 1,489                                  |
| <b>Department Total</b>       | <b>127,674</b>          | <b>150,157</b>   | <b>110,830</b>   | <b>(39,327)</b>                        |
| <b>Court System</b>           |                         |                  |                  |  |
| Contractual Services          | 10,400                  | <b>8,624</b>     | 10,650           | 2,026                                  |
| Commodities                   | 4,351                   | <b>4,350</b>     | 8,500            | 4,150                                  |
| Capital Outlay                | 812                     | <b>12,689</b>    | 5,600            | (7,089)                                |
| Legal Cost                    | 40,208                  | <b>44,458</b>    | 28,000           | (16,458)                               |
| <b>Department Total</b>       | <b>55,771</b>           | <b>70,121</b>    | <b>52,750</b>    | <b>(17,371)</b>                        |
| <b>Courthouse General</b>     |                         |                  |                  |  |
| Personal Services             | 29,780                  | <b>17,672</b>    | 16,700           | (972)                                  |
| Contractual Services          | 216,714                 | <b>216,310</b>   | 218,150          | 1,840                                  |
| Commodities                   | 16,602                  | <b>17,213</b>    | 8,300            | (8,913)                                |
| Capital Outlay                | 54,805                  | <b>64,382</b>    | 97,983           | 33,601                                 |
| Courthouse Repair             | 2,848                   | <b>2,536</b>     | -                | (2,536)                                |
| <b>Department Total</b>       | <b>320,749</b>          | <b>318,113</b>   | <b>341,133</b>   | <b>23,020</b>                          |
| <b>Emergency Preparedness</b> |                         |                  |                  |  |
| Personal Services             | 17,080                  | <b>26,040</b>    | 14,560           | (11,480)                               |
| Contractual Services          | -                       | <b>11,694</b>    | 12,000           | 306                                    |
| Commodities                   | -                       | <b>178</b>       | 480              | 302                                    |
| <b>Department Total</b>       | <b>17,080</b>           | <b>37,912</b>    | <b>27,040</b>    | <b>(10,872)</b>                        |
| <b>Area Agency on Aging</b>   | <b>4,000</b>            | <b>4,000</b>     | <b>4,000</b>     | <b>-</b>                               |
| <b>Total Expenditures</b>     |                         |                  |                  |  |
| <b>Carried Forward</b>        | \$ 1,169,781            | <b>1,164,418</b> | <b>1,144,828</b> | <b>(19,590)</b>                        |

The notes to the financial statements are an integral part of this statement.



**Smith County, Kansas**  
**General Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   | Prior<br>Prior<br>Year | Current Year     |                  | Variance<br>Favorable<br>(Unfavorable) |
|---|------------------------|------------------|------------------|--|
|   |                        | Actual           | Budget           |  |
| <b>Total Expenditures<br/>Brought Forward</b> | \$ 1,169,781           | <b>1,164,418</b> | 1,144,828        | (19,590)                               |
| Juvenile Detention                            | 3,035                  | <b>8,410</b>     | 2,000            | (6,410)                                |
| CASA  | 3,500                  | <b>3,500</b>     | 3,500            | -                                      |
| Airport Maintenance                           | 1,678                  | <b>1,590</b>     | 1,500            | (90)                                   |
| Soil Conservation                             | 15,000                 | <b>15,000</b>    | 15,000           | -                                      |
| Free Fair                                     | 13,922                 | <b>13,922</b>    | 13,922           | -                                      |
| Extension Council                             | 95,000                 | <b>95,000</b>    | 95,000           | -                                      |
| Historical Society                            | 10,400                 | <b>5,200</b>     | 5,200            | -                                      |
| Zoning Commission                             | 170                    | -                | -                | -                                      |
| Election                                      | 28,201                 | <b>46,166</b>    | 47,291           | 1,125                                  |
| (a) Budget Credit                             | -                      | -                | 78,053           | 78,053                                 |
| <b>Total Expenditures</b>                     | \$ <b>1,340,687</b>    | <b>1,353,206</b> | <b>1,406,294</b> | <b>53,088</b>                          |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Road and Bridge Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|  |                         |                   | Current Year     |  |  |
|--|-------------------------|-------------------|------------------|--|--|
|  | Prior<br>Year<br>Actual | Actual            | Budget           | Variance<br>Favorable<br>(Unfavorable) |  |
| <b>Cash Receipts</b>                                     |                         |                   |                  |  |  |
| Taxes  | \$ 1,290,743            | 1,296,609         | 1,300,226        | (3,617)                                |  |
| Federal Aid  | 20,522                  | 411,394           | -                | 411,394 (a)                            |  |
| State Aid  | 331,513                 | 324,606           | 340,152          | (15,546)                               |  |
| Collections  | 2,523                   | 9,287             | 20,000           | (10,713)                               |  |
| Reimbursements   | 32,514                  | 53,680            | -                | 53,680 (a)                             |  |
| <b>Total Cash Receipts</b>                               | <u>1,677,815</u>        | <u>2,095,576</u>  | <u>1,660,378</u> | <u>435,198</u>                         |  |
| <b>Expenditures</b>                                      |                         |                   |                  |  |  |
| Personal Services  | 607,425                 | 563,986           | 705,000          | 141,014                                |  |
| Contractual Services                                     | 130,337                 | 184,924           | 109,860          | (75,064)                               |  |
| Commodities  | 511,359                 | 783,402           | 663,000          | (120,402)                              |  |
| Capital Outlay   | 286,702                 | 395,023           | 345,098          | (49,925)                               |  |
| Transfers Out  | 111,331                 | 357,473           | -                | (357,473)                              |  |
| (a) Budget Credit  | -                       | -                 | 465,074          | 465,074                                |  |
| <b>Total Expenditures</b>                                | <u>1,647,154</u>        | <u>2,284,808</u>  | <u>2,288,032</u> | <u>3,224</u>                           |  |
| <b>Receipts Over (Under) Expenditures</b>                | 30,661                  | (189,232)         |                  |  |  |
| <b>Unencumbered Cash, January 1</b>                      | <u>320,816</u>          | <u>351,477</u>    |                  |  |  |
| <b>Unencumbered Cash, December 31</b>                    | \$ <u>351,477</u>       | <u>162,245</u>    |                  |  |  |
| <b>(a) Budget Credit</b>                                 |                         |                   |                  |  |  |
| Excess State Aid and Collections<br>Over Amount Budgeted |                         | \$ <u>465,074</u> |                  |  |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Bridge Building Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|   | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---|-------------------------|---------------------------|
| <b>Cash Receipts</b>                      |                         |                           |
| Transfers In                              | \$ 8,731                | 132,473                   |
| <b>Expenditures</b>                       |                         |                           |
| Contractual Services                      | 28,413                  | 7,473                     |
| <b>Receipts Over (Under) Expenditures</b> | (19,682)                | 125,000                   |
| <b>Unencumbered Cash, January 1</b>       | 19,682                  | -                         |
| <b>Unencumbered Cash, December 31</b>     | \$ -                    | 125,000                   |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Special Machinery Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Cash Receipts</b>                  |                         |                           |
| Transfers In                          | \$ 100,200              | 225,000                   |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Receipts Over Expenditures</b>     | 100,200                 | 225,000                   |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Unencumbered Cash, January 1</b>   | 130,855                 | 231,055                   |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Unencumbered Cash, December 31</b> | \$ <u>231,055</u>       | <u>456,055</u>            |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Noxious Weed Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   |                         | Current Year |         | Variance                   |
|---|-------------------------|--------------|---------|----------------------------|
|   | Prior<br>Year<br>Actual | Actual       | Budget  | Favorable<br>(Unfavorable) |
| <b>Cash Receipts</b>                      |                         |              |         |                            |
| Taxes                                     | \$ 77,719               | 81,185       | 83,663  | (2,478)                    |
| State Aid                                 | 4,154                   | 4,278        | -       | 4,278                      |
| Chemical Sales                            | 219,297                 | 246,766      | 130,000 | 116,766                    |
| <b>Total Cash Receipts</b>                | 301,170                 | 332,229      | 213,663 | 118,566                    |
| <b>Expenditures</b>                       |                         |              |         |                            |
| Personal Services                         | 50,022                  | 66,842       | 61,000  | (5,842)                    |
| Contractual Services                      | 10,050                  | 12,124       | 9,950   | (2,174)                    |
| Commodities                               | 267,282                 | 217,961      | 231,400 | 13,439                     |
| Capital Outlay                            | 3,647                   | 106          | 12,000  | 11,894                     |
| <b>Total Expenditures</b>                 | 331,001                 | 297,033      | 314,350 | 17,317                     |
| <b>Receipts Over (Under) Expenditures</b> | (29,831)                | 35,196       |         |                            |
| <b>Unencumbered Cash, January 1</b>       | 198,014                 | 168,183      |         |                            |
| <b>Unencumbered Cash, December 31 \$</b>  | 168,183                 | 203,379      |         |                            |

The notes to the financial statements are an integral part of this statement.

## Smith County, Kansas

## Health Fund

Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   | Prior<br>Year<br>Actual | Current Year |         | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------------|--------------|---------|--|
|   |                         | Actual       | Budget  |  |
| <b>Cash Receipts</b>  |                         |              |         |  |
| Taxes   | \$ 135,517              | 135,098      | 137,510 | (2,412)                                |
| Federal Aid   | 41,563                  | 40,904       | 1,200   | 39,704 (a)                             |
| State Aid   | 7,196                   | 7,000        | 6,500   | 500 (a)                                |
| Intergovernmental   | 16,639                  | 24,342       | -       | 24,342 (a)                             |
| Collections   | 99,273                  | 92,978       | 100,000 | (7,022)                                |
| <b>Total Cash Receipts</b>  | 300,188                 | 300,322      | 245,210 | 55,112                                 |
| <b>Expenditures</b>   |                         |              |         |  |
| Personal Services   | 166,114                 | 223,971      | 205,750 | (18,221)                               |
| Contractual Services  | 21,495                  | 34,994       | 32,850  | (2,144)                                |
| Commodities   | 29,941                  | 28,526       | 28,100  | (426)                                  |
| Capital Outlay  | 1,891                   | 14,251       | 1,000   | (13,251)                               |
| (a) Budget Credit   | -                       | -            | 64,546  | 64,546                                 |
| <b>Total Expenditures</b>   | 219,441                 | 301,742      | 332,246 | 30,504                                 |
| <b>Receipts Over (Under) Expenditures</b>                                   | 80,747                  | (1,420)      |         |  |
| <b>Unencumbered Cash, January 1</b>   | 26,206                  | 106,953      |         |  |
| <b>Unencumbered Cash, December 31</b>                                       | \$ 106,953              | 105,533      |         |  |
| <b>(a) Budget Credit</b>  |                         |              |         |  |
| Excess Federal Aid, State Aid and Intergovernmental<br>Over Amount Budgeted |                         | \$ 64,546    |         |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Appraiser's Cost Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   |                         | Current Year          |                | Variance                   |
|---|-------------------------|-----------------------|----------------|----------------------------|
|   | Prior<br>Year<br>Actual | Actual                | Budget         | Favorable<br>(Unfavorable) |
| <b>Cash Receipts</b>                      |                         |                       |                |                            |
| Taxes                                     | \$ 107,080              | <b>124,154</b>        | 125,692        | (1,538)                    |
| Miscellaneous                             | 1,286                   | <b>589</b>            | -              | 589                        |
| <b>Total Cash Receipts</b>                | <u>108,366</u>          | <u><b>124,743</b></u> | <u>125,692</u> | <u>(949)</u>               |
| <b>Expenditures</b>                       |                         |                       |                |                            |
| Personal Services                         | 69,299                  | <b>77,601</b>         | 87,000         | 9,399                      |
| Contractual Services                      | 45,049                  | <b>13,941</b>         | 15,000         | 1,059                      |
| Commodities                               | 3,202                   | <b>3,266</b>          | 2,700          | (566)                      |
| Capital Outlay                            | 5,526                   | <b>4,494</b>          | 10,000         | 5,506                      |
| <b>Total Expenditures</b>                 | <u>123,076</u>          | <u><b>99,302</b></u>  | <u>114,700</u> | <u>15,398</u>              |
| <b>Receipts Over (Under) Expenditures</b> | (14,710)                | <b>25,441</b>         |                |                            |
| <b>Unencumbered Cash, January 1</b>       | <u>6,705</u>            | <u><b>(8,005)</b></u> |                |                            |
| <b>Unencumbered Cash, December 31</b>     | \$ <u>(8,005)</u>       | <u><b>17,436</b></u>  |                |                            |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Employee Benefit Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|                                       |                         | Current Year          |                | Variance                   |
|---------------------------------------|-------------------------|-----------------------|----------------|----------------------------|
|                                       | Prior<br>Year<br>Actual | Actual                | Budget         | Favorable<br>(Unfavorable) |
| <b>Cash Receipts</b>                  |                         |                       |                |                            |
| Taxes                                 | \$ 621,842              | <b>761,667</b>        | 752,238        | 9,429                      |
| Collections                           | 4,692                   | <b>24,391</b>         | -              | 24,391                     |
| <b>Total Cash Receipts</b>            | <u>626,534</u>          | <u><b>786,058</b></u> | <u>752,238</u> | <u>33,820</u>              |
| <b>Expenditures</b>                   |                         |                       |                |                            |
| Social Security                       | 120,825                 | <b>118,686</b>        | 120,000        | 1,314                      |
| Employee Retirement                   | 77,105                  | <b>82,078</b>         | 96,042         | 13,964                     |
| Workmen's Comp. Insurance             | 65,268                  | <b>70,063</b>         | 70,000         | (63)                       |
| Health Insurance                      | 686,121                 | <b>630,157</b>        | 694,000        | 63,843                     |
| <b>Total Expenditures</b>             | <u>949,319</u>          | <u><b>900,984</b></u> | <u>980,042</u> | <u>79,058</u>              |
| <b>Receipts Under Expenditures</b>    | (322,785)               | <b>(114,926)</b>      |                |                            |
| <b>Unencumbered Cash, January 1</b>   | <u>512,802</u>          | <u><b>190,017</b></u> |                |                            |
| <b>Unencumbered Cash, December 31</b> | \$ <u>190,017</u>       | <u><b>75,091</b></u>  |                |                            |

The notes to the financial statements are an integral part of this statement.



**Smith County, Kansas**  
**Hospital Maintenance Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|   |                         |  | Current Year          |                |  |
|---|-------------------------|--|-----------------------|----------------|--|
|   | Prior<br>Year<br>Actual |  | Actual                | Budget         | Variance<br>Favorable<br>(Unfavorable) |
| <b>Cash Receipts</b>                      |                         |  |                       |                |  |
| Taxes                                     | \$ 224,417              |  | <b>216,935</b>        | <u>221,512</u> | <u>(4,577)</u>                         |
| <b>Expenditures</b>                       |                         |  |                       |                |  |
| Appropriations                            | <u>223,975</u>          |  | <u><b>225,000</b></u> | <u>225,000</u> | <u>-</u>                               |
| <b>Receipts Over (Under) Expenditures</b> | 442                     |  | <b>(8,065)</b>        |                |  |
| <b>Unencumbered Cash, January 1</b>       | <u>7,906</u>            |  | <u><b>8,348</b></u>   |                |  |
| <b>Unencumbered Cash, December 31</b>     | \$ <u>8,348</u>         |  | <u><b>283</b></u>     |                |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Ambulance Service Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   |                         |  | Current Year          |                |  |
|---|-------------------------|--|-----------------------|----------------|--|
|   | Prior<br>Year<br>Actual |  | Actual                | Budget         | Variance<br>Favorable<br>(Unfavorable) |
| <b>Cash Receipts</b>                      |                         |  |                       |                |  |
| Taxes                                     | \$ 228,121              |  | <b>221,554</b>        | 224,910        | (3,356)                                |
| State Aid                                 | 1,670                   |  | -                     | -              | -                                      |
| Collections                               | 92,468                  |  | <b>152,945</b>        | 95,000         | 57,945                                 |
| Grant                                     | 8,637                   |  | -                     | -              | -                                      |
| <b>Total Cash Receipts</b>                | <u>330,896</u>          |  | <u><b>374,499</b></u> | <u>319,910</u> | <u>54,589</u>                          |
| <b>Expenditures</b>                       |                         |  |                       |                |  |
| Personal Services                         | 211,675                 |  | <b>241,007</b>        | 225,000        | (16,007)                               |
| Contractual Services                      | 52,896                  |  | <b>42,768</b>         | 45,700         | 2,932                                  |
| Commodities                               | 32,605                  |  | <b>36,737</b>         | 29,000         | (7,737)                                |
| Capital Outlay                            | 59,989                  |  | <b>9,795</b>          | 42,500         | 32,705                                 |
| <b>Total Expenditures</b>                 | <u>357,165</u>          |  | <u><b>330,307</b></u> | <u>342,200</u> | <u>11,893</u>                          |
| <b>Receipts Over (Under) Expenditures</b> | (26,269)                |  | <b>44,192</b>         |                |  |
| <b>Unencumbered Cash, January 1</b>       | <u>32,148</u>           |  | <u><b>5,879</b></u>   |                |  |
| <b>Unencumbered Cash, December 31</b>     | \$ <u>5,879</u>         |  | <u><b>50,071</b></u>  |                |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Mental Health Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|                                       | Prior<br>Year<br>Actual | Current Year         |               | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|-------------------------|----------------------|---------------|--|
|                                       |                         | Actual               | Budget        |  |
| <b>Cash Receipts</b>                  |                         |                      |               |  |
| Taxes                                 | \$ 23,489               | <b>23,539</b>        | <u>23,500</u> | <u>39</u>                              |
| <b>Expenditures</b>                   |                         |                      |               |  |
| Appropriations                        | <u>23,489</u>           | <u><b>23,539</b></u> | <u>23,500</u> | <u>(39)</u>                            |
| <b>Receipts Over Expenditures</b>     | -                       | -                    |               |  |
| <b>Unencumbered Cash, January 1</b>   | <u>-</u>                | <u>-</u>             |               |  |
| <b>Unencumbered Cash, December 31</b> | \$ <u>-</u>             | <u>-</u>             |               |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Mental Retardation Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|                                       | Prior<br>Year<br>Actual | Current Year         |               | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|-------------------------|----------------------|---------------|--|
|                                       |                         | Actual               | Budget        |  |
| <b>Cash Receipts</b>                  |                         |                      |               |  |
| Taxes                                 | \$ 28,257               | <b>28,308</b>        | <u>28,300</u> | <u>8</u>                               |
| <b>Expenditures</b>                   |                         |                      |               |  |
| Appropriations                        | <u>28,257</u>           | <u><b>28,308</b></u> | <u>28,300</u> | <u>(8)</u>                             |
| <b>Receipts Over Expenditures</b>     | -                       | -                    |               |  |
| <b>Unencumbered Cash, January 1</b>   | <u>-</u>                | <u>-</u>             |               |  |
| <b>Unencumbered Cash, December 31</b> | \$ <u>-</u>             | <u>-</u>             |               |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Special Alcohol Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|                                       | Prior<br>Year<br>Actual | Current Year |        | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|-------------------------|--------------|--------|--|
|                                       |                         | Actual       | Budget |  |
| <b>Cash Receipts</b>                  |                         |              |        |  |
| Intergovernmental                     | \$ 8,818                | 9,392        | 9,396  | (4)                                    |
| <b>Expenditures</b>                   |                         |              |        |  |
| Contractual Services                  | 10,000                  | 15,000       | 26,118 | 11,118                                 |
| Commodities                           | -                       | -            | 2,000  | 2,000                                  |
| <b>Total Expenditures</b>             | 10,000                  | 15,000       | 28,118 | 13,118                                 |
| <b>Receipts Under Expenditures</b>    | (1,182)                 | (5,608)      |        |  |
| <b>Unencumbered Cash, January 1</b>   | 20,488                  | 19,306       |        |  |
| <b>Unencumbered Cash, December 31</b> | \$ 19,306               | 13,698       |        |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**911 Telephone Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Cash Receipts</b>                  |                         |                           |
| Collections                           | \$ 22,554               | 22,465                    |
| <b>Expenditures</b>                   |                         |                           |
| Commodities                           | <u>43,571</u>           | <u>27,893</u>             |
| <b>Receipts Under Expenditures</b>    | (21,017)                | (5,428)                   |
| <b>Unencumbered Cash, January 1</b>   | <u>25,073</u>           | <u>4,056</u>              |
| <b>Unencumbered Cash, December 31</b> | \$ <u><u>4,056</u></u>  | <u><u>(1,372)</u></u>     |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**E-911 Telephone Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual  | Current<br>Year<br>Actual |
|---------------------------------------|--------------------------|---------------------------|
|                                       | <u>          </u>        | <u>          </u>         |
| <b>Cash Receipts</b>                  |                          |                           |
| State Aid                             | \$ 48,828                | 47,126                    |
| Collections                           | <u>6,027</u>             | <u>8,561</u>              |
| <b>Total Cash Receipts</b>            | 54,855                   | 55,687                    |
| <b>Expenditures</b>                   |                          |                           |
| Commodities                           | <u>53,557</u>            | <u>24,037</u>             |
| <b>Receipts Over Expenditures</b>     | 1,298                    | 31,650                    |
| <b>Unencumbered Cash, January 1</b>   | <u>(3,923)</u>           | <u>(2,625)</u>            |
| <b>Unencumbered Cash, December 31</b> | \$ <u><u>(2,625)</u></u> | <u><u>29,025</u></u>      |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Register of Deeds Technology Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Cash Receipts</b>                  |                         |                           |
| Collections                           | \$ 4,821                | 5,880                     |
| <b>Expenditures</b>                   |                         |                           |
| Capital Outlay                        | <u>3,224</u>            | <u>3,731</u>              |
| <b>Receipts Over Expenditures</b>     | 1,597                   | 2,149                     |
| <b>Unencumbered Cash, January 1</b>   | <u>10,747</u>           | <u>12,344</u>             |
| <b>Unencumbered Cash, December 31</b> | \$ <u><u>12,344</u></u> | <u><u>14,493</u></u>      |

The notes to the financial statements are an integral part of this statement.



**Smith County, Kansas**  
**EMS Grant Memorial Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Cash Receipts</b>                  |                         |                           |
| EMS Equipment Safety Grant            | \$ 300                  | 4,087                     |
| Memorials                             | <u>-</u>                | <u>170</u>                |
| <b>Total Cash Receipts</b>            | <u>300</u>              | <u>4,257</u>              |
| <b>Expenditures</b>                   |                         |                           |
| Personal Services                     | 900                     | -                         |
| Contractual Services                  | <u>4,118</u>            | <u>5,950</u>              |
| <b>Total Expenditures</b>             | <u>5,018</u>            | <u>5,950</u>              |
| <b>Receipts Under Expenditures</b>    | (4,718)                 | (1,693)                   |
| <b>Unencumbered Cash, January 1</b>   | <u>13,809</u>           | <u>9,091</u>              |
| <b>Unencumbered Cash, December 31</b> | \$ <u><u>9,091</u></u>  | <u><u>7,398</u></u>       |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Bridge Construction Grant Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Cash Receipts</b>                  |                         |                           |
| Federal Aid                           | \$ 75,631               | -                         |
| Transfers In                          | <u>2,400</u>            | <u>-</u>                  |
| <b>Total Cash Receipts</b>            | <u>78,031</u>           | <u>-</u>                  |
| <b>Expenditures</b>                   |                         |                           |
| Contractual Services                  | <u>4,000</u>            | <u>-</u>                  |
| <b>Receipts Over Expenditures</b>     | 74,031                  | -                         |
| <b>Unencumbered Cash, January 1</b>   | <u>(74,031)</u>         | <u>-</u>                  |
| <b>Unencumbered Cash, December 31</b> | \$ <u><u>-</u></u>      | <u><u>-</u></u>           |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Guest Tax Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <hr/>                   | <hr/>                     |
| <b>Cash Receipts</b>                  |                         |                           |
| Guest Tax                             | \$ 6,741                | 9,547                     |
| <b>Expenditures</b>                   |                         |                           |
| Commodities                           | <hr/> 2,300             | <hr/> 7,000               |
| <b>Receipts Over Expenditures</b>     | 4,441                   | 2,547                     |
| <b>Unencumbered Cash, January 1</b>   | <hr/> 6,511             | <hr/> 10,952              |
| <b>Unencumbered Cash, December 31</b> | \$ <hr/> <hr/> 10,952   | <hr/> <hr/> 13,499        |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Bond and Interest Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   |                         | Current Year |        |  |
|---|-------------------------|--------------|--------|--|
|   | Prior<br>Year<br>Actual | Actual       | Budget | Variance<br>Favorable<br>(Unfavorable) |
| <b>Cash Receipts</b>                      |                         |              |        |  |
| Taxes                                     | \$ 32,575               | 32,079       | 32,123 | (44)                                   |
| <b>Expenditures</b>                       |                         |              |        |  |
| Temporary Note Principal                  | 27,500                  | 27,500       | 27,500 | -                                      |
| Temporary Note Interest                   | 5,141                   | 4,453        | 4,453  | -                                      |
| Cash Basis Reserve                        | -                       | -            | 2,000  | 2,000                                  |
| <b>Total Expenditures</b>                 | 32,641                  | 31,953       | 33,953 | 2,000                                  |
| <b>Receipts Over (Under) Expenditures</b> | (66)                    | 126          |        |  |
| <b>Unencumbered Cash, January 1</b>       | 2,078                   | 2,012        |        |  |
| <b>Unencumbered Cash, December 31</b>     | \$ 2,012                | 2,138        |        |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Solid Waste Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2008  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

|   | Prior<br>Year<br>Actual | Current Year   |                | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------------|----------------|----------------|--|
|   |                         | Actual         | Budget         |  |
| <b>Cash Receipts</b>                      |                         |                |                |  |
| Taxes                                     | \$ 211,542              | 213,186        | 225,000        | (11,814)                               |
| Collections                               | 42,310                  | 37,005         | 50,000         | (12,995)                               |
| Land Rent                                 | 2,137                   | 7,511          | -              | 7,511                                  |
| Miscellaneous                             | 14,759                  | 16,719         | -              | 16,719                                 |
| <b>Total Cash Receipts</b>                | <u>270,748</u>          | <u>274,421</u> | <u>275,000</u> | <u>(579)</u>                           |
| <b>Expenditures</b>                       |                         |                |                |  |
| Personal Services                         | 62,974                  | 119,963        | 67,000         | (52,963)                               |
| Contractual Services                      | 45,948                  | 27,369         | 50,000         | 22,631                                 |
| Commodities                               | 23,119                  | 67,888         | 20,000         | (47,888)                               |
| Capital Outlay                            | 80,990                  | 224,751        | 311,979        | 87,228                                 |
| <b>Total Expenditures</b>                 | <u>213,031</u>          | <u>439,971</u> | <u>448,979</u> | <u>9,008</u>                           |
| <b>Receipts Over (Under) Expenditures</b> | 57,717                  | (165,550)      |                |  |
| <b>Unencumbered Cash, January 1</b>       | <u>364,958</u>          | <u>422,675</u> |                |  |
| <b>Unencumbered Cash, December 31</b>     | \$ <u>422,675</u>       | <u>257,125</u> |                |  |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Prosecuting Attorney's Training Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
| <b>Cash Receipts</b>                  |                         |                           |
| Collections                           | \$ 283                  | 214                       |
| <b>Expenditures</b>                   |                         |                           |
| Payments to Other Governments         | 133                     | 122                       |
| <b>Receipts Over Expenditures</b>     | 150                     | 92                        |
| <b>Unencumbered Cash, January 1</b>   | 1,142                   | 1,292                     |
| <b>Unencumbered Cash, December 31</b> | \$ 1,292                | 1,384                     |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Special Motor Vehicle Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2008  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

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|                                       | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|---------------------------------------|-------------------------|---------------------------|
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Cash Receipts</b>                  |                         |                           |
| Collections                           | \$ 384,191              | 396,660                   |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Expenditures</b>                   |                         |                           |
| Payments to Other Governments         | 362,615                 | 378,750                   |
| Transfers Out                         | 11,801                  | 17,583                    |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Total Expenditures</b>             | 374,416                 | 396,333                   |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Receipts Over Expenditures</b>     | 9,775                   | 327                       |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Unencumbered Cash, January 1</b>   | -                       | 9,775                     |
|                                       | <u>          </u>       | <u>          </u>         |
| <b>Unencumbered Cash, December 31</b> | \$ 9,775                | 10,102                    |
|                                       | <u>          </u>       | <u>          </u>         |

The notes to the financial statements are an integral part of this statement.

**Smith County, Kansas**  
**Distributable Funds, State Funds, and Subdivision Funds**  
**Statement of Cash Receipts and Cash Disbursements**  
**For the Year Ended December 31, 2008**

| <u>Fund</u>                      | <u>Beginning<br/>Cash Balance</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Ending<br/>Cash Balance</u> |
|----------------------------------|-----------------------------------|--------------------------|-------------------------------|--------------------------------|
| <b>Distributable Funds</b>       |                                   |                          |                               |                                |
| Advance Tax                      | \$ -                              | 2,720                    | 2,720                         | -                              |
| Neighborhood Revitalization      | -                                 | 51,274                   | 50,871                        | 403                            |
| Current Tax                      | 4,210,735                         | 6,790,809                | 6,660,666                     | 4,340,878                      |
| Delinquent Personal Property     | 21,204                            | 9,797                    | 21,344                        | 9,657                          |
| Real Estate Redemptions          | 63,685                            | 40,154                   | 70,903                        | 32,936                         |
| Motor Vehicle Tax                | 123,164                           | 708,192                  | 671,078                       | 160,278                        |
| <b>Total Distributable Funds</b> | <b>\$ 4,418,788</b>               | <b>7,602,946</b>         | <b>7,477,582</b>              | <b>4,544,152</b>               |
| <b>State Funds</b>               |                                   |                          |                               |                                |
| State Institutional Building     | \$ -                              | 19,472                   | 19,472                        | -                              |
| State Educational Building       | -                                 | 59,929                   | 59,929                        | -                              |
| Drivers Licenses                 | 8,075                             | 9,142                    | 7,978                         | 9,239                          |
| <b>Total State Funds</b>         | <b>\$ 8,075</b>                   | <b>88,543</b>            | <b>87,379</b>                 | <b>9,239</b>                   |
| <b>Subdivision Funds</b>         |                                   |                          |                               |                                |
| Cities                           | \$ -                              | 962,638                  | 962,638                       | -                              |
| Townships                        | 927                               | 134,639                  | 134,840                       | 726                            |
| School Districts                 | -                                 | 1,635,577                | 1,635,584                     | (7)                            |
| Irrigation Districts             | -                                 | 286,359                  | 286,359                       | -                              |
| Other Special Districts          | -                                 | 35,954                   | 35,954                        | -                              |
| Cemeteries                       | 178                               | 18,588                   | 18,626                        | 140                            |
| <b>Total Subdivision Funds</b>   | <b>\$ 1,105</b>                   | <b>3,073,755</b>         | <b>3,074,001</b>              | <b>859</b>                     |

The notes to the financial statements are an integral part of this statement.



**Smith County, Kansas**  
**Agency Funds**  
Statement of Cash Receipts and Cash Disbursements  
For the Year Ended December 31, 2008

| <u>Fund</u>                   | <u>Beginning<br/>Cash Balance</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Ending<br/>Cash Balance</u> |
|-------------------------------|-----------------------------------|--------------------------|-------------------------------|--------------------------------|
| Payroll Withholding           | \$ 1,503                          | 218,535                  | 220,038                       | -                              |
| Smith County Veteran Memorial | 5,206                             | 1,231                    | 739                           | 5,698                          |
| Sales Tax                     | 12,387                            | 177,129                  | 175,207                       | 14,309                         |
| Game Licenses                 | -                                 | 13,986                   | 13,986                        | -                              |
| Heritage Trust                | 317                               | 2,042                    | 2,084                         | 275                            |
| Diversion Fee                 | 4,510                             | 2,445                    | 638                           | 6,317                          |
| Escrow                        | 32,232                            | 140,246                  | 143,369                       | 29,109                         |
| Election Filing Fee           | 40                                | 540                      | 580                           | -                              |
| Passport Fee                  | 677                               | 2,155                    | -                             | 2,832                          |
| Concealed Weapon              | 400                               | 600                      | -                             | 1,000                          |
| Sexual Predator Registration  | 140                               | 200                      | -                             | 340                            |
| Special Law Enforcement       | -                                 | 638                      | -                             | 638                            |
| Sheriff Vins                  | 1,706                             | 1,989                    | 143                           | 3,552                          |
| Register of Deeds             | 911                               | 70,020                   | 70,521                        | 410                            |
| Clerk of District Court       | 12,600                            | 79,665                   | 80,480                        | 11,785                         |
| Sheriff                       | 1,460                             | 10,629                   | 11,888                        | 201                            |
|                               | <u>\$ 74,089</u>                  | <u>722,050</u>           | <u>719,673</u>                | <u>76,466</u>                  |

The notes to the financial statements are an integral part of this statement.

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**1. Summary of Significant Accounting Policies**

The County has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

**A. Financial Reporting Entity**

**Smith County, Kansas**, is a municipal corporation governed by an elected three-member commission. The County receives funding from local, state, and federal government sources and must comply with the requirements of those funding sources. These financial statements present **Smith County, Kansas**. The County has no entities that are controlled or dependent on the County.

**Smith County, Kansas** is the primary government as defined in GASB #14 and further amended by GASB #39. The County's Commissioners are elected by the public. They have the authority to make decisions, levy taxes, influence operations and have the primary accountability in fiscal matters.

**B. Basis of Presentation – Fund Accounting**

The accounts of the government are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the County for the year ended December 31, 2008.

**Governmental Fund Categories**

**General Fund** – reports as the primary fund of the County. This fund is used to account for all financial resources not reported in other funds.

**Special Revenue Funds** - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

**Debt Service Fund** - to account for the accumulation of resources for and the payment of interest and principal on general long-term debt.

**Proprietary Fund Category**

**Enterprise Fund** - to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**B. Basis of Presentation – Fund Accounting (cont.)**

**Fiduciary Fund Categories**

**Agency Funds** - to account for fiduciary assets held by the County in a custodial capacity as an agent on behalf of others.

**Private Purpose Trust Funds** - to account for assets held by the governmental unit as trustee or agent, for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

**C. Statutory Basis of Accounting**

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure is charged in the fund from which the transfer is made.

The County has approved a resolution that is in compliance with K.S.A. 75-1120(a)(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the Statutory Basis of Accounting.

**D. Departure from Generally Accepted Accounting Principles in the United States of America**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the County are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

**E. Accounting for Capital Assets and Depreciation**

The County does not maintain a record of capital assets used in performance of general government operations and the proprietary funds as required by generally accepted accounting principles.

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**F. Budgets**

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the current year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds:

Bridge Building Fund, Special Machinery Fund, 911 Telephone Fund, E-911 Telephone Fund, Register of Deeds Technology Fund, EMS Grant Memorial Fund, and the Guest Tax Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**G. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**H. Deposits and Investments**

The County follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash.

As of December 31, 2008, the County had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the County in which the County is located or in an adjoining county if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County's designated "peak periods" are from December 15 through February 15 and from May 15 through July 14. \$4,205,006 amount of deposits were legally secured at December 31, 2008, and the remaining funds were designated under "peak periods."

At December 31, 2008, the County's carrying amount of deposits was \$6,985,427 and the bank balance was \$6,579,159. The bank balance was held by First National Bank, The Peoples Bank of Smith Center, Farmers National Bank – Kensington and Farmers National Bank – Gaylord resulting in a concentration of credit risk. Of the bank balance, \$585,000 was covered by federal depository insurance, \$4,205,006 was collateralized with securities held by the pledging financial institutions' agents in the County's name and the balance of \$1,789,153 was unsecured under a designated peak period.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**I. Property Tax Calendar**

Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10<sup>th</sup>. Major property tax payments are received January through July and are recognized as revenue in the year received.

**J. Inventories and Prepaid Expenses**

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase as required by state statutes.

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**K. Restricted Assets**

These assets consist of cash restricted for Agency Funds

**L. Compensated Absences**

Employees of **Smith County, Kansas** earn one (1) day of vacation time and eight (8) hours of sick leave per month of employment. Vacation time is not allowed until one year of employment is completed. The County's policies regarding vacation and sick pay permit employees to accumulate a maximum of twenty-four (24) days vacation time and a maximum accumulation of one hundred (100) days sick pay. Unused vacation time due to an employee who terminates employment with the County will be paid on the payroll following the final date of employment. The amount of accumulated vacation time as of December 31, 2008 totaled \$76,667. Accumulated sick leave over thirty (30) days shall be paid to the employee upon termination of employment at the regular rate of pay, at the rate of four (4) hours pay for each day credited. The potential accrued sick leave liability as of December 31, 2008 is approximately \$50,790.

Employees of **Smith County, Kansas** in the Sheriff's Department may accrue a maximum of four hundred eighty (480) hours of compensatory time. Employees performing work that does not include the preceding activities may accrue a maximum of two hundred forty (240) hours of compensatory time. Compensatory time off will be paid for the unused time upon termination of employment. Employees may use compensatory time accrued. Compensatory time is paid at time and a half of the employee's base wage. Accrued compensatory time as of December 31, 2008 was \$8,950.

**M. Defined Benefit Pension Plan**

**Plan Description** – The County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

**Funding Policy** – K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for calendar year 2008 is 5.93%. The Smith County employer contributions to KPERS for the years ending December 31, 2008, 2007, and 2006 were \$85,294, \$76,888, and \$63,138, respectively, equal to the statutory required contributions for each year.

**N. Deferred Compensation Plan**

The County sponsors a deferred compensation plan under the Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The County is not responsible to make any contributions.

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**O. Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the County for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program

**P. Reimbursements**

The County records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund.

**2. Closure and Postclosure Care Cost**

State and federal laws and regulations require that **Smith County, Kansas** place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty (30) years after closure. The current year expenditures relating to the operation of the landfill are provided in the Solid Waste Fund in these financial statements.

The estimate of closure and postclosure care liability at year end would be \$104,906. This liability is based on the use of 23% of the estimated cost of closure and postclosure care of \$456,111 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. The County expects the landfill to continue to operate indefinitely. Actual costs may be higher due to inflation, changes in technology or in regulations. The County is not required to currently accumulate funds to pay the future costs of closure and postclosure, and has not done so. These future costs will be met when due by the allocation of general tax revenues, the issuance of debt, or both.

The County has a Municipal Solid Waste Landfill that was closed February 26, 1999. State and federal laws and regulations require **Smith County, Kansas** to perform certain maintenance and monitoring functions at the landfill site for thirty (30) years after closure. The County recognized monitoring and maintenance cost along with final closure costs of \$5,773 for 2008.

The County is meeting the financial assurance requirements through the Local Government Financial Test. This test involves four components: financial, public notice, recordkeeping and reporting, and calculation of costs to be assured. The County has satisfied all four requirements.

**3. Transfers and Payments**

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects, and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas Statutes. The County's operating transfers and statutory authority for December 31, 2008 were as follows:

| <u>From</u>     | <u>To</u>         | <u>Authority</u> | <u>Amount</u>     |
|-----------------|-------------------|------------------|-------------------|
| Road and Bridge | Special Machinery | K.S.A. 68-141g   | \$ 225,000        |
| Road and Bridge | Bridge Building   | K.S.A. 68-141g   | 132,473           |
|                 |                   |                  | <u>\$ 357,473</u> |

**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**4. Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**5. Risk Management – Claims and Judgments**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been able to obtain errors and omissions insurance at a cost it considered to be economically justifiable.

The County carries commercial insurance for other risks of loss, including property, general liability, inland marine, workmen's compensation, crime, umbrella, automobile, and fidelity bond coverage.

The County has elected not to obtain comprehensive and collision coverage on various County owned motor vehicles, due to the age of the vehicles.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

**Smith County, Kansas** also participates in the Kansas Workers Risk Cooperative for Counties (KWORC) to provide workers compensation insurance. The County joined KWORC in January 2005. The County, along with other participating counties, contributes annual amounts determined by KWORC management. As claims arise they are submitted to and paid by KWORC. During 2008, the County contributed \$54,978 to the fund for this insurance coverage. There were no significant reductions in insurance coverage from the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At December 31, 2008, the financial statements do not include liabilities for anticipated losses.

**6. Litigation**

The County is party to various legal proceedings, such as foreclosure actions and tax appeals, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the County.

**7. Grants and Shared Revenues**

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the County, any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

**8. Comparative Data**

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the County's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.



**SMITH COUNTY, KANSAS**  
Notes to Financial Statements  
December 31, 2008

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**9. Compliance with Kansas Statutes**

Per K.S.A. 19-716, the County Attorney should review and approve warrants presented for payment.

Expenditures exceeded available monies in the following funds, which is in violation of K.S.A. 10-1113:

|                  |            |
|------------------|------------|
| 911 Fund         | \$( 1,372) |
| School Districts | (7)        |

Checks were outstanding for two year or more were not canceled and restored to the fund originally charged, which is a violation of K.S.A. 10-815.

**10. Long-Term Debt**

The County has the following types of Long Term Debt:

**Lease Obligations**

The County has entered into lease agreements with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

**Revolving Loan**

The County enacted a \$64,420 revolving loan agreement on December 27, 2004 with the Kansas Department of Transportation acting on behalf of the State of Kansas to finance the Cedar Bridge Project.

**Temporary Notes**

The County issued temporary notes pursuant to Kansas Statues for the financing of the Emergency Medical Service building project.

The Smith County Extension Council entered into a lease during 2007 that would require Smith County to assume the obligation if the Council defaulted on the lease. All payments at December 31, 2008 were paid by the Smith County Extension Council, and the remaining balance of the lease at December 31, 2008 is \$3,304. The lease is included in the Statement of Changes in Long-Term Debt and the Statement of Maturities of Long-Term Debt.

Changes in long-term liabilities for the County at December 31, 2008 and current maturities of long-term debt and interest for the next five years and in five year increments through maturity are included on the next two pages.

**Smith County, Kansas**  
Statement of Changes in Long-Term Debt  
For the Year Ended December 31, 2008

| Issue  | Interest Rates | Date of Issue | Amount of Issue     | Date of Final Maturity | Balance Beginning of Year | Additions      | Reductions/ Payments | Net Change       | Balance End of Year | Interest Paid |
|--|----------------|---------------|---------------------|------------------------|---------------------------|----------------|----------------------|------------------|---------------------|---------------|
| <b>Capital Leases</b>  |                |               |                     |                        |                           |                |                      |                  |                     |               |
| <b>General Fund</b>  |                |               |                     |                        |                           |                |                      |                  |                     |               |
| 5 M100 ES+S Election Machines  | 5.95%          | 07/24/06      | \$ 20,177           | 07/24/09               | \$ 13,836                 | -              | (6,718)              | (6,718)          | 7,118               | 823           |
| Motorola MCC 5500 Console  | 4.50%          | 02/19/08      | 60,275              | 02/19/12               | -                         | 60,275         | -                    | 60,275           | 60,275              | -             |
| (4) Fujitsu Scanners   | 5.50%          | 01/10/05      | 46,000              | 01/10/10               | 29,063                    | -              | (9,174)              | (9,174)          | 19,889              | 1,598         |
| <b>Total General Fund</b>  |                |               | <u>126,452</u>      |                        | <u>42,899</u>             | <u>60,275</u>  | <u>(15,892)</u>      | <u>44,383</u>    | <u>87,282</u>       | <u>2,421</u>  |
| <b>Road and Bridge Fund</b>  |                |               |                     |                        |                           |                |                      |                  |                     |               |
| CAT RM-350B Reclaimer  | 3.50%          | 12/30/02      | 248,164             | 01/01/08               | 99,154                    | -              | (99,154)             | (99,154)         | -                   | 3,470         |
| 1988 Cat 12H Motorgrader   | 3.25%          | 09/15/03      | 49,778              | 09/15/08               | 10,603                    | -              | (10,603)             | (10,603)         | -                   | 345           |
| 1988 140H Cat Motorgrader  | 4.00%          | 12/08/03      | 104,800             | 12/08/05               | 22,652                    | -              | (22,652)             | (22,652)         | -                   | 682           |
| Cat Blade 9TN00808   | 4.50%          | 02/09/04      | 100,000             | 02/17/09               | 32,368                    | -              | (21,338)             | (21,338)         | 11,030              | 1,219         |
| Daewoo Wheel Loader  | 4.00%          | 05/10/04      | 129,000             | 05/10/09               | 54,653                    | -              | (26,791)             | (26,791)         | 27,862              | 2,186         |
| Cat 963 Loader SN BBD02778   | 5.25%          | 08/04/06      | 209,219             | 08/04/11               | 171,544                   | -              | (39,653)             | (39,653)         | 131,891             | 9,006         |
| 2002 Cat Motorgrader Model 140HNA  | 5.00%          | 09/04/07      | 105,000             | 09/04/09               | 105,000                   | -              | (51,220)             | (51,220)         | 53,780              | 5,250         |
| 2006 12H Cat Motorgrader   | 4.50%          | 10/14/08      | 190,000             | 02/01/12               | -                         | 190,000        | -                    | 190,000          | 190,000             | -             |
| <b>Total Road and Bridge Fund</b>  |                |               | <u>1,135,961</u>    |                        | <u>495,974</u>            | <u>190,000</u> | <u>(271,411)</u>     | <u>(81,411)</u>  | <u>414,563</u>      | <u>22,158</u> |
| <b>Total General and Special Revenue Funds</b>   |                |               |                     |                        |                           |                |                      |                  |                     |               |
|  |                |               | 1,262,413           |                        | 538,873                   | 250,275        | (287,303)            | (37,028)         | 501,845             | 24,579        |
| <b>Enterprise Fund</b>   |                |               |                     |                        |                           |                |                      |                  |                     |               |
| CAT 2006 Wheel Tractor Scraper Model 613 II  | 5.00%          | 12/26/06      | 220,555             | 12/26/09               | 150,593                   | -              | (150,593)            | (150,593)        | -                   | 3,857         |
| <b>County Extension Department</b>   |                |               |                     |                        |                           |                |                      |                  |                     |               |
| 2007 Chevrolet 4D Uplander   | 5.00%          | 12/26/07      | 6,450               | 12/26/09               | 6,450                     | -              | (3,146)              | (3,146)          | 3,304               | 323           |
| <b>Total Capital Leases</b>  |                |               | <u>1,489,418</u>    |                        | <u>695,916</u>            | <u>250,275</u> | <u>(441,042)</u>     | <u>(190,767)</u> | <u>505,149</u>      | <u>28,759</u> |
| <b>Revolving Loan</b>  |                |               |                     |                        |                           |                |                      |                  |                     |               |
| KDOT Revolving Loan - Bridge Construction  | 3.62%          | 5/9/2005      | 64,420              | 08/01/14               | 46,256                    | -              | (5,880)              | (5,880)          | 40,376              | 1,790         |
| <b>Temporary Notes</b>   |                |               |                     |                        |                           |                |                      |                  |                     |               |
| EMS Construction Note  | 2.50%          | 6/22/2004     | 295,000             | 04/01/08               | 185,000                   | -              | (27,500)             | (27,500)         | 157,500             | 4,453         |
| <b>Total Contractual Indebtedness</b>  |                |               | <u>1,848,838</u>    |                        | <u>927,172</u>            | <u>250,275</u> | <u>(474,422)</u>     | <u>(224,147)</u> | <u>703,025</u>      | <u>35,002</u> |
| <b>Amount to be Provided for Compensated Absences Landfill Closure and Post Closure Care</b> |                |               |                     |                        |                           |                |                      |                  |                     |               |
|  |                |               | N/A                 |                        | 50,054                    | 736            | -                    | 736              | 50,790              | -             |
|  |                |               | N/A                 |                        | 577,345                   | -              | -                    | -                | 577,345             | -             |
| <b>Total Long Term Debt</b>  |                |               | <u>\$ 1,848,838</u> |                        | <u>\$ 1,554,571</u>       | <u>251,011</u> | <u>(474,422)</u>     | <u>(223,411)</u> | <u>1,331,160</u>    | <u>35,002</u> |

**Smith County, Kansas**  
Statement of Maturities of Long-Term Debt  
For the Year Ended December 31, 2008

| Issue                                     | 2009              | 2010           | 2011           | 2012           | 2013 - 2018   | Total          |
|---|-------------------|----------------|----------------|----------------|---------------|----------------|
| <b>Principal</b>                          |                   |                |                |                |               |                |
| <b>Capital Leases</b>                     |                   |                |                |                |               |                |
| <b>General Fund</b>                       |                   |                |                |                |               |                |
| 5 M100 ES+S Election Machines             | \$ 7,118          | -              | -              | -              | -             | 7,118          |
| Motorola MCC Console                      | 14,083            | 14,725         | 15,387         | 16,080         | -             | 60,275         |
| (4) Fujitsu Scanners                      | 9,678             | 10,211         | -              | -              | -             | 19,889         |
| <b>Total General Fund</b>                 | <u>30,879</u>     | <u>24,936</u>  | <u>15,387</u>  | <u>16,080</u>  | -             | <u>87,282</u>  |
| <b>Road and Bridge Fund</b>               |                   |                |                |                |               |                |
| Cat Blade 9TN00608                        | 11,030            | -              | -              | -              | -             | 11,030         |
| Daewoo Wheel Loader                       | 27,862            | -              | -              | -              | -             | 27,862         |
| CAT 963 Loader SN BBD02778                | 41,734            | 43,926         | 46,231         | -              | -             | 131,891        |
| 2002 Cat Motorgrader Model 140HNA         | 53,780            | -              | -              | -              | -             | 53,780         |
| 2006 12H Cat Motorgrader                  | -                 | 63,333         | 63,333         | 63,334         | -             | 180,000        |
| <b>Total Road and Bridge Fund</b>         | <u>134,406</u>    | <u>107,259</u> | <u>109,564</u> | <u>63,334</u>  | -             | <u>414,563</u> |
| <b>County Extension Department</b>        |                   |                |                |                |               |                |
| 2007 Chevrolet 4D Uplander                | 3,304             | -              | -              | -              | -             | 3,304          |
| <b>Total Capital Leases</b>               | <u>168,589</u>    | <u>132,195</u> | <u>124,951</u> | <u>79,414</u>  | -             | <u>505,149</u> |
| <b>Revolving Loan</b>                     |                   |                |                |                |               |                |
| KDOT Revolving Loan - Bridge Construction | 6,107             | 6,343          | 6,589          | 6,844          | 14,493        | 40,376         |
| <b>Temporary Notes</b>                    |                   |                |                |                |               |                |
| EMS Construction Note                     | 27,500            | 27,500         | 27,500         | 75,000         | -             | 157,500        |
| <b>Total Principal</b>                    | <u>202,196</u>    | <u>166,038</u> | <u>159,040</u> | <u>161,258</u> | <u>14,493</u> | <u>703,025</u> |
| <b>Interest</b>                           |                   |                |                |                |               |                |
| Capital Leases                            | 15,379            | 18,501         | 9,543          | 3,574          | -             | 46,997         |
| Revolving Loan                            | 1,562             | 1,326          | 1,080          | 826            | 847           | 5,641          |
| Temporary Notes                           | 3,766             | 3,078          | 2,391          | 3,047          | -             | 12,282         |
| <b>Total Interest</b>                     | <u>20,707</u>     | <u>22,905</u>  | <u>13,014</u>  | <u>7,447</u>   | <u>847</u>    | <u>64,920</u>  |
| <b>Total Principal and Interest</b>       | <u>\$ 222,903</u> | <u>188,943</u> | <u>172,054</u> | <u>168,705</u> | <u>15,340</u> | <u>767,945</u> |